Ford truck ads take a heavy costs savings position.

where penetration by imports hasn't been as high as on the East and West Coasts.

"This is an area where we have been for so long, as opposed to smaller car and smaller truck [markets]," says Mr. Zevalkink.

Mr. Raine agrees. "Ten to 15 years ago, when imports made inroads with small cars, we were selling Vegas and Chevettes and trying to compete with the progressively improved quality of the Japanese models," he says. "We weren't very well positioned to defend our turf."

He contends that's not the case in full-size trucks, where product lines will be improved, revamped and expanded by the time Toyota's trucks hit the streets.

Chrysler Corp. also is confident, planning to introduce its first new generation of full-size trucks in 25 years by 1994. With the introduction, the company expects its *full-size truck sales to double* from its current 85,000 annually. The not-yet-named newcomers may replace the Ram trucks.

Chris Cedergren, director-competitive assessment, J.D. Power & Associates, isn't sure Toyota will jump into the segment.

"It remains to be seen if Toyota will go ahead with the program," he says.

Toyota may wait for the federal government to set standards for fuel economy on trucks. More stringent standards would make the niche less attractive.

Industry sources believe Toyota is considering a couple of design options: a V-8-powered truck styled similarly to current domestic makes, or a smaller, still-powerful engine that would allow the vehicle's design to differ from domestic offerings.

If Toyota doesn't build a full-size truck at the Kentucky plant, Mr. Cedergren predicts it will wait until after 1996 and build the truck at the joint-venture plant with General Motors in Fremont, Calif. Toyota is expected to assume full control of the plant when the companies' joint-venture agreement expires in 1996.

Mr. Cedergren says Toyota may hold off on the trucks and concentrate on the car market.

"Toyota's primary mission is to make sure it is No. 1 in car sales," says Mr. Cedergren. "If you walk the halls of Toyota, the common theme there is to blow Honda away by 1995."

Honda sells only cars and outsold Toyota in the 1990 model year, which ended Sept. 30. Honda sold 849,549 cars in the U.S. to Toyota's 765,241, according to *Automotive News*, a sister publication of *Advertising Age*.

Regardless of Toyota's actions, domestic automakers don't expect to be alone in this niche forever. But by the time an import breaks into full-size trucks, says Mr. Raine, U.S. automakers "will be ready . . . to draw a line in the turf and tell them to come across." ■

Michelle Krebs is a West Bloomfield Hills, Mich.-based free-lance writer.

Olds diverts off-road

Bravada hits sport-utility niche in bid to halt sag

By Michelle Krebs

In a move they hope is more than bravado, Oldsmobile is attacking the burgeoning sport-utility vehicle market.

General Motors Corp.'s Oldsmobile division concedes one-third of its 60% drop in sales since 1986 has been the result of buyers switching from cars to upscale sport-utility vehicles and minivans. It hopes the Bravada, its first sport-utility vehicle, will combat that customer drain.

The Bravada is designed to go head-to-head with Ford Motor Co.'s top-of-the-line Explorer, which sells for about $25,000. The Bravada targets the college-educated 45-year-old with an annual household income in excess of $75,000.

The sport-utility market has moved from a niche market to a high-profile, core market for manufacturers because of its size and profitability.

In 10 years, the number of sport-utility vehicles sold in the U.S. exploded about 370%, from 180,000 units in 1980 to about 850,000 in 1990.

For years category pioneer Jeep Cherokee didn't face any high-volume competition in the four-door sport-utility market. Today, it's battling a half-dozen new players.

In sharp contrast to more spartan, two-door, sport-utility vehicles, the Cherokee was gussied up to attract luxury-car buyers.

The average Cherokee buyer is 35 to 48 years old with an annual household income of more than $60,000, says Larry Baker, general manager of Chrysler's Jeep-Eagle division. In a large percentage of households, he says, the

(Continued on Page S-6)

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Wagons ho! Segment set to rebound

Minivans can't kill what some call 'dowdy' practical car

By Patricia Strnad

The verdict is in: Station wagons are here to stay.

Although station wagon sales were eclipsed by minivans in '1988, leading many to predict wagons' imminent demise, they are showing impressive staying power.

The station wagon market has been steadily shrinking over the last decade, but analysts and carmakers believe the niche will rebound on the strength of purchases by baby-boomer parents who want more passenger and cargo space than a sedan offers, but less space than a minivan.

Several automakers, including American Honda Motor Co., are prepared for the niche's second wind with all-new or redesigned station wagons.

J.D. Power & Associates predicts wagon sales will reach 765,000 units by 1995—or 7% of the total car market—up from about 450,000 in 1990.

Station wagons accounted for only 4.9% of the total car market in 1989, vs. 12.6% in 1973, says Joel Pitcoff, manager of research and analysis at Ford Motor Co.

"The biggest carnage has been in the full-size wagon," Mr. Pitcoff says, adding that Ford plans to discontinue its large Ford Crown Victoria and Mercury Grand Marquis wagons next year because of low sales volumes.

Ford expects sales of the popular Taurus and Sable wagons to rise as a result. Taurus has the best-selling wagon in the U.S., accounting for about 17% of the segment and 25% of all Taurus sales.

But General Motors Corp. is more optimistic about full-size wagons and hopes to wow buyers with the redesign of its full-size, rear-wheel-drive wagons. The Buick version, the Roadmaster Estate wagon, is just now becoming widely available to dealers.

Meanwhile, Ford last spring launched station wagon versions of its redesigned subcompact Escort and Tracer models.

Toyota Motor Sales USA is considering a redesign of its Camry wagon.

Last month, Honda introduced a station wagon version of the midsize Accord, the best-selling vehicle in the U.S. for the past two model years. Honda is unusual in having completely bypassed the minivan market to focus on passenger cars and wagons.

"The Accord wagon is a stroke of genius," says John Wangers, senior managing partner at Automotive Marketing Consultants.

> "What one calls dowdy another might call cautious."

While Honda is projecting annual sales of 30,000, Mr. Wangers predicts the company could sell 70,000.

The U.S.-built Accord wagon, with a base price of $17,300, has other station wagon marketers wary of added competition but hoping their sales will benefit from the attention the Accord is expected to bring the niche.

Mr. Wangers says Honda's entry into the segment would make all wagons more acceptable for image-conscious baby-boomers. "Because of the renewed inter-

Off-road

(Continued from Page S-5)

Cherokee is in the garage next to an upscale European car. "Driving these sport-utility vehicles makes it look like you've arrived," says Chris Cedergren, J.D. Power & Associates director-competitive assessment.

The sheer size of the growing sport-utility market makes it attractive, says Michael Grimaldi, Olds' general marketing manager. Oldsmobile expects to sell 15,000 to 20,000 Bravada models in 1991. Eventually, he says, sales should reach 20,000 to 25,000 units annually.

That's still a far cry from Jeep Cherokee sales, which hit 156,118 units in 1989.

Those already established in the sport-utility market are looking for ways to hold the high ground.

In 1990, Toyota introduced a four-door 4Runner, Nissan launched a four-door Pathfinder and Isuzu, which already sold two sport utilities, added the Rodeo for 1991. Mitsubishi expanded the number of versions it offers.

Last spring, Ford and General Motors introduced four-door sport utilities as 1991 models.

Within four months, Ford says its Explorer overtook Chevrolet for the segment's sales lead.

"And it's been widening the gap every month since," claims Michael Zevalkink, truck marketing plans manager at Ford division.

High inventories forced GM last fall to temporarily close the plant that produces the Chevy Blazer and GMC Jimmy. GM's sport-utility sales were off 9% in the first 11 months of 1990, compared with the same period in 1989.

Frank Raine, Chevrolet marketing manager-trucks, blames the slow sales on the "explosion of new competition."

Mazda began in the 1991 model year selling its Navajo sport-utility vehicle. In a twist to the usual pattern, the Navajo was designed and engineered by Ford with input from Mazda. It is built at a Ford plant alongside the Ford Explorer. Mazda expects to sell be-

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est [in station wagons], one winner will be the Taurus wagon."

The Accord wagon's primary competitors are Ford Taurus and Mercury Sable wagons, and the Toyota Camry wagon, says David Spyra, manager of Honda division automobile advertising.

Honda expects some of the Accord wagon sales to come from current Honda owners who want the versatility of a wagon. But even more are expected to come from dissatisfied minivan owners and families with older children who feel they no longer need a minivan, he says.

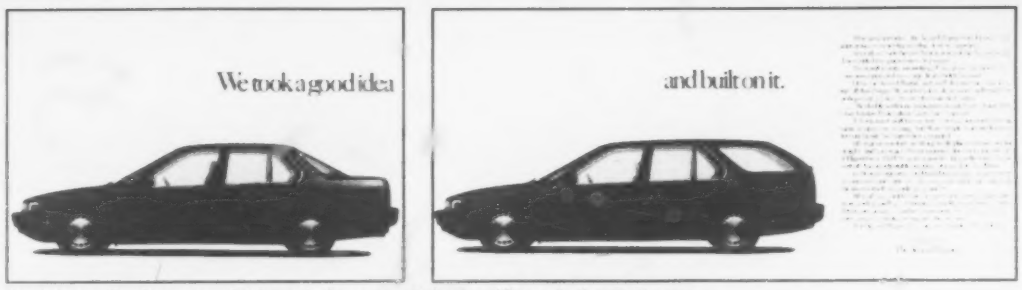
"You've got four-wheel drive on more minivans now," says Chris Wackman, VP-marketing at Subaru of America. "But when you're on a snowy road, the high center of gravity and the bigness of that vehicle is not as comforting as a car that's closer to the ground and has better handling characteristics."

Subaru, which markets the Legacy wagon, is a major player in the station wagon segment. In 1989 about 46.5% of its 136,112 unit sales came from wagons.

The increased demand for station wagons is being pushed by the baby-boom generation, says Dave Pelliccioni, national advertising manager at Toyota.

Retirees, who travel more extensively than younger age groups, also are big buyers, says Chris Cedergren, director-competitive assessment at Power. More younger buyers will be drawn to wagons as the vehicles become more highly stylized and performance-oriented, he says.

But not all consumers feel uncomfortable with the traditional wagon or even its stereotypical image as a boring, utilitarian vehicle, says Bill Vanderbok, director of auto research at Plog Research. "That dowdy image hits a very responsive chord with a lot of people," he says. "What one person calls dowdy another might want to call responsible or conservative or cautious."



Honda is sending its successful Accord after a new niche by adding a deck onto the car.

Even so, automakers are steering away from that image and positioning wagons as roomier, higher-performance versions of their sedans. Subaru advertises its Legacy wagon interchangeably with the Legacy sedan to convey their sameness.

Buick will position the Roadmaster wagon, targeted at affluent consumers with annual household incomes exceeding $80,000, as "the world's most luxurious wagon" in advertising that breaks next spring, says Jay Qualman Jr., general director of advertising.

"The Roadmaster wagon is something you could take to the country club and [you would] not have to apologize [for it], but a minivan or truck might seem out of place," he adds.

Honda is capitalizing on the success of the Accord sedan and coupe in wagon advertising, says Mr. Spyra. Ads by Rubin Postaer & Associates, Los Angeles, are themed, "We took a good idea and built on it."

"Honda's [introduction of] the Accord wagon gives us encouragement . . . that the compact wagon segment is not going the way of the dinosaur," says Mr. Wackman. □

tween 15,000 and 20,000 Navajo models in 1991.

The company is playing on the vehicle's American-built theme. It uses what Duke Hale, Mazda VP-sales, calls "aggressive, emotional" advertising with the tagline "No one knows the land like a Navajo."

All the new-found competition has taken a bite out of Jeep Cherokee sales. 11-month figures for 1990 show sales are down more than 20% from the same period in 1989.

In response, Chrysler introduced a value model of the Jeep Cherokee for the 1991 model year.

Sport-utility model sellers expect continued growth in the segment but at a more modest pace than in the 1980s.

Mr. Cedergren believes the sport-utility market has more staying power than the minivan segment. "When the kids move away from home, people are less likely to move out of the [sport-utility] segment. They may go from a four-door to a two-door or to a more sporty-looking, performance-oriented model, but they'll probably stay within the segment," he says.

As a result, manufacturers will have to redesign sport utilities almost as often as cars.

"The life cycles are shortening," says Mr. Zevalkink. "The public is demanding it. They want changes when somebody comes out with something new."

Manufacturers' product plans include a new version of the Cherokee in 1994. GM will redesign its stable of sport-utility models in the same year. Ford will freshen the appearance of its Explorer in 1994 as well.

A new Mitsubishi Montero and Nissan Pathfinder bow in the 1992 model year. Toyota brings out a new 4Runner in 1994.

It's likely these new versions will contain even more creature comforts than today's models.

"We expect demand for luxury-carlike amenities to remain high," says Mr. Zevalkink. Already, he says, Ford Explorer buyers are asking for power sunroofs, security systems and even better stereo systems. □

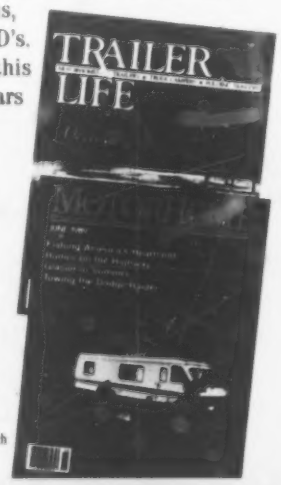
Nori and Keith Goodman
Home: Palm Springs, California
Activities: Keith plays golf, Nori plays the organ, and they both like to dance.
Vehicles owned: Cadillac Eldorado, Honda Prelude, Rolls Royce Silver Spirit, and one of only six 35' Barth Royale motorcoaches ever built.

We Have 1½ Million Readers With Big Garages

While Keith was looking in a Honda showroom for a car to tow behind their motorcoach, Nori wandered next door to a Rolls Royce dealer. Keith bought the Honda, and Nori bought the Rolls—"because I always wanted one!"

At Trailer Life and Motorhome we think that's great. You've earned it, Nori. Like Nori and Keith, our average reader is over 50 and has retired with a comfortable income. They are a full-sized market for full-sized cars. 42% own a domestic large or luxury car and 42% own a mid-sized domestic car. 67% own more than one car. The readers of Trailer Life and Motorhome buy 170,375 trucks a year. And they buy full-sized pickups, compact pickups, vans, suburban-type wagons and 4WD's.

For more information on this concentrated market for big cars and trucks call Jim Mac in Elkhart, IN., (219) 295-7820 or Ralph Kelsey in Irvine, CA., (714) 955-3022.



TRAILER LIFE & MOTORHOME

The Active Senior Travels With Us.

Source: 1987 *Trailer Life/MotorHome* Subscriber Study, Conducted by John Schug Media Research

OUT OF LEFT FIELD

A little service, please!

By Therese Kauchak

Hell hath no fury like a car buyer scorned.

After shelling out hard-earned cash or signing away a substantial part of their paychecks for a few years, car buyers feel they should be coddled by their car's manufacturer.

And automakers are discovering that bringing those who feel wronged back into the showroom is a monumental task.

We decided to see how tightly an automaker would try to hold on to a customer who appeared to be slipping from its grasp.

We sent identical letters—describing real-life problems a staff member has with a now-1-year-old minivan—to 25 automakers.

The letter read:

Dear [name of appropriate ceo],

I'm a big believer in advertising. I was a big believer in your company's advertising when I bought my car late last year.

When I drove the car off the lot, I noticed some immediate problems. The salesman said, as he was pushing me out the door, "Don't worry. Just bring it back and they'll fix it."

I live 35 minutes from the dealer, and it took three visits just to get the factory foul-ups fixed.

Now, a mysterious "clunking" sound is coming from the right front wheel. The selling dealer hasn't been able to correct it; the dealer in my neighborhood keeps pushing me back to the original dealer, saying it's not his problem.

My salesman has left the dealership; my warranty expires in two weeks, and I have a car I don't even know is safe to drive.

Should I have believed your ads claiming quality, service and reliability? I'm beginning to think not.

Can you suggest how I can get my car out of this rut?

Over the next 30 days,

(Continued on Page S-11)

Woman car buyer —don't call her a niche anymore

By Julie Candler

Forget the so-called women's niche of the car-buying universe.

"It's not a niche, it's mainstream," says Danielle Colliver, director of passenger car advertising for General Motors Corp.'s Chevrolet division. "It's primarily coming from young women coming into the marketplace after [age] 18. They have to have cars to go to work."

A 1990 J.D. Power & Associates survey found that women are already 49% of the principal drivers of newly purchased cars.

That mainstream is expected to turn into a near-flood by 2000.

"We are predicting it will hit 60% female," says Luana Floccuzio, advertising manager for GM's new Saturn division.

According to a survey conducted by the Motor Vehicle Manufacturers Association, 61% of car buyers under age 25 are female. Between ages 25 and 44, 49% are female. The figure drops to 28% in the over-age-45 group.

"Guys 18 to 25 are much more likely to buy used cars," says Ms. Floccuzio. "Women are looking for peace of mind. They tend to buy new cars."

The fact that females are no longer a car-buying minority may be influencing the advertising used to address women, say marketers. Many car companies are now looking to unisex ads, rather

Unisex ads—such as for Toyota's Celica—are hitting the mark with women buyers.

We were advising small business when Ford was a start-up.

Business magazines come and go. But none has ever come as far as Nation's Business. Today, Nation's Business delivers more subscribers than any other small business magazine. More than Inc. More than Success. More than Entrepreneur or IB. To reach all 850,000 of them, call Bob Gotshall, 313-354-1180, and advertise in Nation's Business. Since 1912, the most dependable vehicle in America.

Source: [illegible], 1991

Nation's Business
The Small Business Adviser

than gender-specific ads, to target women consumers.

"There is no separate ad campaign to women," says Jim Fewel, Toyota's PR administrator. "Women are featured in some ads, but we are not singling them out. Our ads show women and men."

"We don't set out to design ads for women or men," says Gerrold Rubin, president of Rubin Postaer & Associates, Los Angeles, agency for American Honda Motor Co. "Advertising to address women . . . showing them in typical situations like driving a car pool or taking children to Little League—we don't do that. We are not producing special ads for specific media."

Lincoln-Mercury's genderless Capri commercials, using stickman figures and lighthearted music, were very successful with female consumers, says Advertising Manager Stephen Lyons. The print ads and TV spots "weren't addressed necessarily to women, [but they] brought in 65% female buyers."

Car companies may be realizing the way to a woman's heart can be the same as a man's.

"You don't have to show a chiffon dress and high heels to get women to read the ad," says Mr. Rubin. "Our ads have the potential to reach men as well as women."

"What changes in respect to the women's market is the media," says Richard Brooks, BMW corporate communications manager. "We are using *Lear's*, *Working Woman*, *Harper's Bazaar* and *Savvy*, but non-sexual, product-oriented ads."

Other publications mentioned frequently by automakers and advertising executives include *Elle* and *Mademoiselle*.

"We are increasing media buys for the women's market," says Mr. Lyons, "and considering broadening the base of luxury car advertising to upscale women's publications. I think we have underestimated this whole business in a big way."

Genderless advertising works with female car buyers, says Ms. Colliver, citing the success of Chevrolet's Geo line. Women account for 71% of Geo Storm and 73% of Geo Prizm buyers.

Women tend to buy products at the lower end of the price scale. They are strongest in the subcompact segment—buying 60% of Honda Civic four-doors, 70% of Toyota Tercels—and the compact segment—57% of Dodge Shadows and 61% of Toyota Celicas. They are represented least in the large and luxury segments—38% of BMW's 325i buyers are female.

The kind of information women car buyers seek is changing, say some automakers.

"Now you are getting women buying their second, third and fourth cars," says Ms. Colliver. Chevrolet is researching the women's market "to determine if women are getting the information they want, and if the approach is appropriate and effective."

If it's not, Chevy is likely to change its marketing strategies to better address those needs, which Ms. Colliver thinks may include an increased desire for safety and performance information.

Women "are still changing," says Ms. Colliver. "We have to be alert that we do not, as in the past, form any new stereotypes.

"We have to be in touch with the subtleties." □

Julie Candler is a Bloomfield Hills, Mich.-based free-lance writer.

PEOPLE TO WATCH

Chrysler Corp.'s William MacIntyre and his two-member staff don't measure success in corporate profits.

Mr. MacIntyre heads Chrysler's Physically Challenged Assistance Program, which provides information to consumers about adaptive driving aids and equipment and offers drivers with special physical needs an incentive of up to $500 for conversion of a Chrysler vehicle.

The program, housed at Chrysler's Physically Challenged Resource Center in Troy, Mich., was established in 1987 by Jerome York, now VP-finance, and Dodge dealer Chuck Swift, a paraplegic.

Mr. MacIntyre, a 37-year Chrysler veteran, has guided P-CAP since early 1990.

P-CAP handles 60 to 75 calls a day from the U.S. and Canada. Many physically challenged callers aren't sure where to turn to adapt their vehicles to suit their needs, says Mr. MacIntyre, 60. A major function of P-CAP is to provide free assistance regardless of the make of car involved.

Glenn Triest

William MacIntyre

Hand controls can be installed in a vehicle for less than $500, Mr. MacIntyre says. But a total car conversion, complete with a wheelchair lift, can run as high as $13,000.

In the 1990 model year, more than 2,300 Chrysler buyers participated in the cash-back program, he says.

Chrysler studies indicate about 30,000 cars a year are converted in some way to aid physically challenged drivers. Mr. MacIntyre places the number of physically challenged U.S. citizens at 43 million.

To reach that sizable audience, P-CAP has a limited advertising budget of $95,000, down from $125,000 last year. Mr. MacIntyre says the budget cut was self-imposed in light of the industry's tough times.

The center can be reached at (800) 255-9877, Monday through Friday, 9 a.m. to 4:30 p.m. (CT). □

—*John Cortez*

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"Through a series of ads in Real Estate Today®, we at Oldsmobile are reaching 820,000 key influencers who buy full-sized sedans in which they drive their customers to review property," says D.L. Lahti, general sales and service manager at Oldsmobile. "REALTORS® and their customers are among Oldsmobile's most important target markets, which is why Oldsmobile is the Car of Choice of REALTORS®, and why Real Estate Today® is providing the bull's-eye."

The Oldsmobile campaign began in August 1990. In September, a $500 cash-back rebate offer was added for any REALTOR® purchasing or leasing an Oldsmobile. The campaign also includes a specially designed Oldsmobile/NATIONAL ASSOCIATION OF REALTORS® logo.

"We sold more than 1,200 vehicles in the first ninety days of the program," says John Yusko, dealer incentives manager for Oldsmobile. The campaign also generated over 38,000 inquiries during that same time period, according to Yusko.

Other automobile manufacturers have found that advertising in Real Estate Today® and *REALTOR NEWS®*, the publications of the NATIONAL ASSOCIATION OF REALTORS®, produces exceptional leads and new car sales. A summer 1990 campaign by Volkswagen of America received more than 28,000 responses, proving the tremendous automotive buying power of the REALTOR® market.

"We sold more than 400 vehicles to those respondents," says Ron Dusenberry, manager of advertising for Volkswagen of America. "More important, we started developing a relationship with every one of the 28,000 people who inquired."

According to a 1989 J.D. Power & Associates subscriber profile study commissioned by the NATIONAL ASSOCIATION OF REALTORS®, 92 percent of REALTORS® claim their cars are extremely important in their business activities. REALTORS® purchase a new car every 2.5 years, and 41 percent—roughly 320,000 of the 820,000 members of the NATIONAL ASSOCIATION OF REALTORS®—plan to buy or lease a car within the next year.

"A car is a tool of the trade for our people," says Jerry Jatos, senior vice president at the Association. "It's part of the way they conduct business. The automobile manufacturer benefits not only by the actual sale of the vehicle to the REALTOR® but, from actual 'test drives' that our members take homebuyers on in those purchased vehicles every time they show a home. When you consider the fact that our membership does more than 3 million transactions per year, well, that's a lot of test-driving going on."

For a free summary of the J.D. Power study results on the buying power of the REALTOR® marketplace, write or call Holly Poe Egge, Real Estate Today®/ *REALTOR NEWS®*, 430 North Michigan Avenue, Chicago, IL 60611-4087. Phone 312/329-8296. FAX 312/329-5978.

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Top 10 automakers by 9-media ad spending, dollars in millions

		Jan.-June 1990	% change from Jan.-June 1989
1	General Motors Corp.	$424.1	-3.8%
2.	**Ford Motor Co.**	**224.5**	**-8.1**
3	Chrysler Corp.	217.7	-0.6
4.	**Toyota Motor Sales USA**	**164.5**	**72.4**
5	Nissan Motor Corp. USA	151.7	65.6
6.	**American Honda Motor**	**106.2**	**10.6**
7	Mazda Motors of America	80.5	32.4
8.	**Volkswagen AG**	**63.0**	**25.1**
9	Mercedes-Benz of N.A.	40.5	28.0
10.	**Hyundai Motor America**	**39.4**	**-14.2**

Source: LNA/Arbitron Multi-Media Service
Advertising Age graph: Christine M. Martin

Leading advertised passenger car brands in millions of dollars

		Jan.-June 1990	% change from Jan.-June 1989			Jan.-June 1990	% change from Jan.-June 1989
1.	Nissan Stanza	$32.8	NA	11.	Toyota Camry	$20.4	21.6%
2.	**Oldsmobile Cutlass**	**32.5**	**41.9%**	12.	**Pontiac Grand Prix**	**19.7**	**5.4**
3.	Subaru Legacy	31.9	43.1	13.	Chevrolet Caprice	19.5	NA
4.	**Ford Escort**	**27.4**	**58.4**	14.	**Infiniti Q45**	**19.1**	**NA**
5.	Lexus LS400	26.1	NA	15.	Honda Civic	18.9	39.4
6.	**Volkswagen Passat**	**24.1**	**NA**	16.	**Toyota Celica**	**18.6**	**85.6**
7.	Nissan 300 ZX	23.2	82.1	17.	Honda Accord	17.7	2.1
8.	**Hyundai Excel**	**21.8**	**19.8**	18.	**Hyundai Sonata**	**16.7**	**-36.2**
9.	Chevrolet Lumina	21.4	16.1	19.	Acura Legend	16.5	-2.1
10.	**Buick Regal**	**20.9**	**137.5**	20.	**Mazda MPV**	**15.4**	**213.1**

Note: Multiproduct ads not included in this ranking of spending in nine measured media.
Source: LNA/Arbitron Multi-Media Service
Advertising Age graph: Christine M. Martin

Service

(Continued from Page S-8)

we got phone calls, letters—even Western Union Mailgrams.

The imports were speedier to respond than were domestics. Although we didn't include our phone number, Saab dug it up and was the first to call—only seven days after the letter was postmarked.

Rolls-Royce wins for persistence, calling on the eighth day, leaving two messages on the 11th and sending a letter on the 15th.

General Motors Corp. was the first U.S. automaker to answer our plea: both Chevrolet and Buick phoned on Day 14.

Below, we detail the diary of a disgruntled car owner.

Day 1: *Ad Age* complaint letter posted.
Day 7: Saab-Scania national customer service department leaves phone message.
Day 8: Rolls-Royce Motors' Midwest zone service manager leaves message.
Day 11: Volkswagen leaves an 800 phone number; Rolls-Royce leaves two messages.
Day 12: BMW's central regional office and Yugo America leave messages.
Day 13: BMW's national consumer services office makes us feel very glamorous by sending a Western Union Mailgram; letter arrives from Peugeot Motors; Isuzu leaves phone message.
Day 14: "Send us your phone number," writes the practical Volvo in a Mailgram. "Or call," they add, thinking of an even better idea; Buick sends a letter; Honda, Nissan and Chevrolet leave phone messages.
Day 15: Letters arrive from Rolls-Royce, Cadillac and Volkswagen.
Day 18: Letters arrive from Audi and Pontiac; Isuzu leaves phone message.
Day 19: They like us; they really like us! Ford's Dealer Affairs Office writes to say they "sincerely regret" the problems we've had; Mitsubishi's letter is the first to claim their chairman actually read our diatribe; still-polite men from Honda and Isuzu leave more messages.
Day 22: Letters from Isuzu and Oldsmobile arrive.
Day 27: Honda gives in and writes us a letter.
Day 28: Mercedes-Benz gives a jingle.
Day 29: Mercedes-Benz sends a Mailgram.

After a month, only seven car companies failed to respond: Chrysler, Lincoln-Mercury, Hyundai, Jaguar, Porsche, Subaru and Toyota.

Ironically, the maker of our role-model car was one of the silent minority. The car's real owner, however, is not surprised.

"Our warranty is up, so I'll have to eat the cost of repairing it now. I suppose the whole thing will fall to pieces tomorrow. Isn't that what happens with warranties?"

This is hardly the voice of a repeat buyer. □

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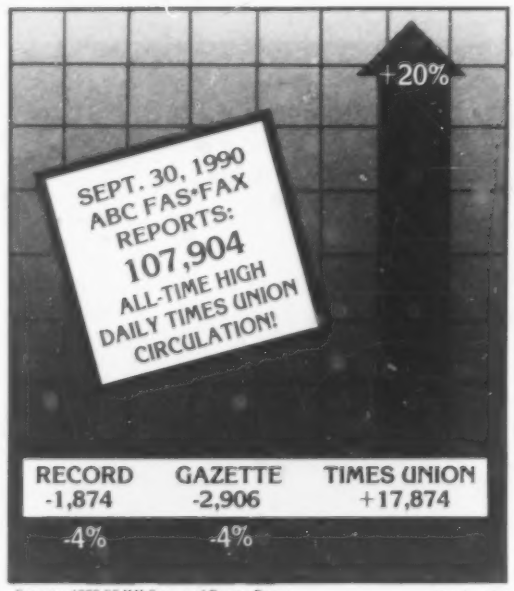
FACTS FROM FAS*FAX.

THE TIMES UNION'S DAILY CIRCULATION LEAD CLIMBS TO OVER 55%!!



Sources: 1989 SCMM Survey of Buying Power
Sept. 30, 1987 & 1990 ABC FAS*FAX Averages

In Albany, New York, upstate New York's largest and fastest growing ADI retail marketplace, more and more consumers are choosing The Times Union as their daily newspaper. In fact, ABC FAS*FAX from 1987 thru 1990 show a total increase of 20% in average daily paid circulation for the daily Times Union, and no growth for other local metro dailies.

Of course, our Sunday figures look even better...better than twice the circulation of any other local newspaper.

Call Dave Cherry, (518) 454-5556 for details on the Albany, N.Y. Auto Market.

New York's CAPITAL NEWSPAPERS
THE TIMES UNION • SUNDAY TIMES UNION

Marketers pull ads

(Continued from Page 1)

coverage, which was extensive during the initial hours of the war.

"I don't think [ads are] proper [during war coverage]; there's a backlash potential, and you have to ask what would you gain from it," said Louis Schultz, exec VP-director of media services for Lintas USA, New York, whose Lintas Campbell-Ewald unit in Warren, Mich., handles General Motors Corp.'s Chevrolet division.

Brad Ball, president of Davis, Ball & Colombatto, Los Angeles, which handles nine regional McDonald's accounts, said he received word from the fast-food chain's national headquarters discouraging any ads in or around news coverage.

"They said we should keep the real world away from our ads, to keep them away from that reality," Mr. Ball said.

Other advertisers took a completely opposite view.

Kellogg Co. spokesman Dick Lovell said the cereal marketer didn't change its advertising or ad schedule and has no plans to do so. If ads were scheduled to run on the networks, Kellogg let them run—even on news coverage of the war.

Advertisers' plans to avoid time on war coverage didn't always work. TV spots for Toyota and Isuzu appeared on ABC-TV's "Nightline" last week against their wishes.

The U.S. Department of Defense last week ordered all paid TV and radio military advertising suspended indefinitely, according to a department directive. The order included recruiting ads for the joint services as well as for the individual Armed Forces.

Ads in other media and broadcast public service announcements for the Armed Forces will continue.

Chevron Corp. postponed $3 million to $4 million worth of buys, including spots on NFL and National Basketball Association telecasts, said Jim Gordon, manager of retail advertising and sales promotion.

"The attention deserves to be given to the developments in the Middle East," Mr. Gordon said. "We don't want to fly in the face of the war coverage."

Trans World Airlines pulled its print schedule and canceled TV spots slated for yesterday's telecast of the NFL's NFC championship game pre-game show on CBS.

GULF CRISIS

"I have no intention of running anything else until people calm down and live normally," said Shelly Kravitz, TWA VP-advertising and leisure marketing. "I'm trying to divorce [TWA] from as many commitments as I can."

"We'll have to take it a step at a time and see what we'll do," said Paul Mulcahy, VP-advertising at Campbell Soup Co.

Campbell had no immediate plans beyond its decision not to air ads during news coverage for the first 48 hours of war, he said.

Pepsi is monitoring the situation to ensure its fun-loving, upbeat advertising via BBDO Worldwide, New York, fits the mood of the country.

"We're sensitive to the potential for major and very quick change in public sensibilities, and we would respect and respond to that appropriately," said spokesman Gary Gerdemann.

Some advertisers pulled ads because of inappropriate content.

Norwegian Cruise Line canceled the scheduled regional airing of a TV spot from agency McKinney & Silver, Raleigh, N.C., that depicted the war room of a naval ship.

Northrop Corp., a defense contractor, pulled a page b&w ad from *The National Journal* a day before the political weekly hit the streets Jan. 18. The ad by Bockman, Los Angeles, showed a B-2 bomber.

The page was quickly replaced by another defense contractor, BDM International, whose agency, Stackig, Sanderson & White, McLean, Va., created in one day an ad congratulating the U.S. Department of Defense and U.S. troops.

Anheuser-Busch is considering putting on a special message saluting America, agency sources said. But Chevrolet already has nixed that idea.

"Anything that reminds people [about the war] is not in super-good taste," said J.C. "Jim" Perkins, Chevrolet's VP-general manager.

The war's potential effect on car sales appears to wipe out hopes GM would maintain its first-quarter ad spending at 1990 levels, said Shirley Young, GM's VP-consumer marketing.

She confirmed reports that the automaker's first-quarter ad spending will decline from a year ago, though she didn't specify by how much.

Ms. Young said the economy is forcing advertising to be more "sober" and focused on value, trends that will only be exacerbated by the Persian Gulf War.

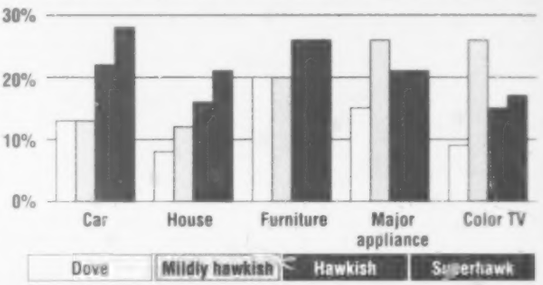
"I think you'll see a much greater sense of realism in terms of soberness and fundamentalism in advertising," she said. ☐

Written by Patricia Winters from bureau reports.

Consumers react to war

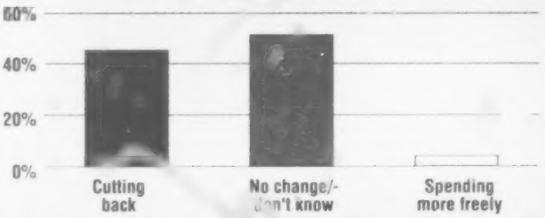
What were your spending plans?

"The people who were most in favor of attacking Iraq are also most inclined to be shopping for consumer goods. Hawks are driving this economy," says researcher Leo Shapiro. Research conducted by phone the weekend of Jan. 6 showed those who most favored war were most likely to be in the market for major purchases.



Now that we are at war, will these plans change?

Nearly half the adults surveyed within three hours after President Bush's Jan. 16 address to the nation said they thought they will be cutting back on spending. The most commonly named changes were putting more money in savings, cutting out luxury goods, conserving gasoline and delaying major purchases.

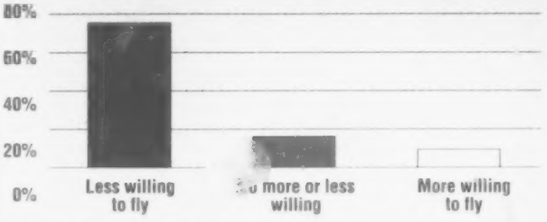


How will war affect the economy?

Although some believe the war may relieve the pressure of uncertainty that has hurt the economy, most people surveyed after President Bush announced the offensive against Iraq were pessimistic about the nation's economic future.

Are you now fearful of air travel?

The airline industry could feel the most immediate domestic impact from the war. Three of four persons surveyed immediately after President Bush announced the attack on Iraq said they now feel less willing to fly. The No. 1 reason cited was fear of terrorism.



Source: Leo J. Shapiro & Associates, Chicago

JOHN SMITHER

TV nets

(Continued from Page 1)

cisions on cancellation options for second-quarter units bought in last year's upfront sales period, fearing many would cancel if forced to decide.

Almost all upfront buyers had asked for and received extensions to Jan. 15 because of the holidays.

"Options are taking a back seat with people trying to decide what to do now that this is a shooting war," said Jon Nesvig, exec VP-sales, Fox Broadcasting Co.

Late Friday however, agency media buyers said most network advertisers had decided to exercise some portion of second-quarter options, canceling an estimated 30% of their upfront commitments—or $300 million to $400 million—compared with about 20% last year.

Cancellations in daytime, late-night and news dayparts weren't as severe, running about even with last year, network sales executives said.

Prime-time cancellations could give the networks more than ample inventory to give advertisers make-goods for spots preempted by war coverage.

Few expected the Big 3 networks to continue with 24-hour coverage into the weekend.

The hope at ABC, CBS and NBC was to resume normal programming Friday night and throughout the weekend with news updates and expanded versions of news shows.

The networks tried to sell time in war coverage, but few advertisers seemed willing to shift spots originally bought in entertainment shows.

"Specific audiences are needed for specific products," said Bart McHugh, senior VP-director of national radio/TV programming at DDB Needham Worldwide, New York. "If you bought an entertainment show, you don't achieve the same thing with coverage of the Middle East."

Another concern is whether spots slated during war coverage are being aired by affiliates. Agency executives last week started hearing rumors of local stations blacking out spots in network news coverage.

Channel One, Whittle Communications' in-school TV network for teens, suspended all advertising Jan. 17 to devote its entire 12-minute broadcast to coverage of Operation Desert Storm.

Beginning Friday, it again began featuring two minutes of advertising daily.

As advertisers withdraw commercials or are squeezed out of network TV by pre-emptions, newsweekly magazines—which themselves have devoted a massive amount of editorial resources to war coverage—may benefit from a trickle-down effect.

"We've received a flurry of calls from people asking about our fast-close capabilities," said Stephen J. Seabolt, advertising sales director at *Time*.

He said he was told by one client that TV spots often are perceived as program sponsorships, but magazine ads aren't since a consumer pays for a magazine.

Newsweek was trying to keep its ad close deadlines flexible to accommodate additional business, said Publisher Peter Eldredge.

"Since [the war began], we really haven't had any advertisers who have gone into a tuck," said Karl Spangenberg, senior VP-ad sales for *Business Week*.

At *USA Today*, Renee Lewin, VP-marketing services, said advertisers in last Friday's edition would get a "bonus" and appear free in the first-ever Saturday edition, a 12-page insert devoted to the gulf war.

The newspaper ordered a 50% to 60% hike in the number of copies of the Jan. 17 edition for newsstand and box sales. The daily expected Jan. 17 sales to exceed the 2 million mark, and perhaps approach its all-time record of 2,448,444 set last Aug. 31.

On Jan. 17, the 1.2 million-circulation *Los Angeles Times*, the nation's largest metro daily, added 250,000 copies, its biggest expanded print run in decades.

The Times Mirror Co.-owned paper said it had "a few cancellations" from advertisers, but declined to identify them.

The top news and talk radio stations in Los Angeles, KABC-AM, KNX-AM and KFWB-AM, went commercial-free Jan. 17.

"People don't want to hear an ad for a hemorrhoid clinic or Toyota of Orange when maybe their next-door neighbor or a loved one is fighting for their lives in the Middle East," said Jan Cromartie, KFWB promotion manager. ☐

Scott Donaton, Steven Colford and Bradley Johnson contributed to this story.

NOTE

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Cov.1, Pgs: 2, 3, 28, 30-32,

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